Study on the Provision of International School Places in Hong Kong

Executive Summary

Policy 21 Limited

Commissioned by
Education Bureau

January 2024

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Introduction

1. The present study was commissioned by the Education Bureau (EDB) to stock-take the latest provision of international school places, project the demand and supply of international school places in Hong Kong till 2028/29[1], with a view to meeting the demand from the community, in particular overseas families living in Hong Kong and those coming to Hong Kong for work or investment, in the next few years mainly through the provision of international school places.

Study methodology

2. A mixed-methods approach was adopted in the study, involving the collection of both quantitative and qualitative information. For quantitative information, views of schools and parents were gathered through the School and Parent Surveys, with 68 schools (including 47 international schools, 7 Private Independent Schools (PIS) and 14 other private schools offering non-local curriculum (other private)) and 568 parents enumerated. For businesses, a total of 2 081 companies were successfully enumerated, including 1 827 companies with an employment size of less than 100, and 254 companies with an employment size of 100 or more.

3. For qualitative information, it was gathered through in-depth interviews and focus group discussions with representatives of 10 schools (including 7 international schools, 1 PIS and 2 other private schools), 19 parents with children attending international schools/PIS, and representatives of two consulates and The European Union Office to Hong Kong and Macao, four chambers of commerce and three large business corporations.

[1] 2028/29 denotes the 2028/29 school year. The same notation regarding the school year is adopted in this report.

Salient findings of the school survey

Anticipated changes in admission applications in coming years

4. Among the 68 responding schools, 14.7% offered views on the anticipated changes in admission applications from local students in coming years. All of them anticipated that there would be an increase in admission applications from local students.

5. On the other hand, 29.4% responding schools anticipated that there would be a decrease in admission applications from non-local students. Another 8.8% responding schools anticipated that there would be an increase in admission applications from non-local students.

School expansion plan

6. About 32.4% of schools indicated that they had plans to increase the provision of school places in the coming years. The more popular measures that would be adopted included "*on-site expansion in existing school site*" (40.9%) and "*converting the use of some existing classrooms/special rooms*" (36.4%).

Government support measures

7. For schools that had plan to adjust the provision of school places in the coming years, the majority of them considered "*expediting the procedures required in school expansion*" very helpful (63.7%) and helpful (18.2%), "*provision of capital loan for the construction of the school premises*" very helpful (54.5%) and helpful (18.2%) and "*providing more support (e.g. professional development of teachers) to schools admitting students with special educational needs (SEN)*" very helpful (36.4%) and helpful (36.4%).

Salient findings of the parent survey

Reasons for choosing international schools

8. Parents' reasons in choosing international schools were mainly "*better bridging to education systems outside Hong Kong*" (74.4%), "*more interactive learning*" (74.0%), "*more relaxed learning environment and less study pressure*" (72.5%) and "*quality of learning and teaching is better*" (64.1%).

Impact of no place from schools offering non-local curriculum

9. In case places from schools offering non-local curriculum could not be secured, about half of parents (48.6%) indicated that their whole families would leave Hong Kong. Only about 15.7% of parents indicated that their whole families would stay in Hong Kong and send their children to study in local schools.

Salient findings on the provision of special education services

Views of schools

10. Most schools (85.3%) indicated they were providing support to students with SEN. For those schools providing support to SEN students, the great majority of them were providing support to SEN students with Attention Deficit/Hyperactivity Disorder (AD/HD) (89.7%), Specific Learning Difficulties in Reading/Writing (87.9%), Autistic Spectrum Disorders (81.0%) or Speech and Language Impairment (72.4%).

11. For schools providing support to SEN students, more than half of them (67.7%) indicated that they had encountered difficulties in providing supporting measures to students with SEN. More than half of them indicated that the difficulties encountered were "*some types of SEN require heavy support which the school may not be able to fully cover*" (70.5%) and "*difficulties in financing the cost involved in providing support to students with SEN*" (59.1%).

Views of parents

12. Only a very small proportion of students attending international schools, at around 5%, are SEN students. For parents with SEN children, most of them were satisfied with the SEN services provided by their schools (70.0%). Some parents with SEN children (36.5%) had to pay for the additional support service to address the special educational needs of their children on top of those services already provided by the schools.

Salient findings of the business survey

Future potential demand

13. Among all business corporations enumerated in the survey, about 7.6% indicated that they had plans in the coming years to increase their employment size. Only a small proportion (0.8%) had plans to reduce their employment size. More than half (64.2%) were not sure if they would increase or reduce their employment size in the coming years. The high percentage of business corporations showing uncertainty in adjusting their employment size is likely to be due to the volatile market situation which may be affected by such factors as inflation outlook and the strength of post-COVID recovery.

14. About 6.3% of all business corporations enumerated in the survey indicated that in the coming years they would recruit or relocate from offices outside Hong Kong employees who were current or previous holders of employment visas. More than half (62.9%) were not sure whether they would increase or reduce the number of target employees in the coming years.

Impact of shortage of international school places

15. For business corporations with employees who were current or previous holders of employment visas, about 29.7% of these business corporations fully agreed (6.7%) or agreed (23.0%) that "*the business corporations will have difficulties recruiting or relocating qualified staff from outside Hong Kong*" if their staff had difficulties finding schools offering non-local curriculum in Hong Kong for their children. 28.6% agreed that "*the business corporations will have difficulties retaining staff who have problems finding suitable school places offering non-local curriculum for their children*" (fully agreed (5.8%) or agreed (22.8%)).

16. About 2.0% of business corporations fully agreed and 6.0% agreed that "*the business corporations will have to consider relocating to places outside Hong Kong where there is adequate provision of school places offering non-local curriculum*".

Views on international schools

17. For business corporations with employees who were current or previous holders of employment visas, about 57.7% of them fully agreed or agreed that "*having international schools preferred by parents is very important to Hong Kong as*

city for international business". Similar percentages were recorded for "*having international schools preferred by in Hong Kong will help attract talents from outside Hong Kong to come to work in Hong Kong*" (55.6%) and "*there is a good variety of different non-local curriculum in Hong Kong*" (54.9%).

Provision of international school places

Primary level

18. Comparing the number of school places provided and the actual enrolment in international schools, there has been a surplus provision of places since 2006/07. In 2023/24, the total enrolment in international schools was 22 610, while the total provision of international school places was 24 812. This represents an increase of 2.1% in enrolment as compared with that in 2022/23 (i.e. 22 143). The surplus of places was 2 202 or 8.9% of the total provision of places.

19. Enrolment of non-local students in international schools at the primary level accounted for around 65.0% of total enrolment in 2023/24. During 2006/07 to 2019/20, the number of non-local students in international schools at primary level showed fluctuation with no clear trend. However, the number of non-local students showed a significant drop in 2020/21. The enrolment of non-local students declined by 13.8% from 16 839 in 2019/20 to 14 507 in 2022/23. In 2023/24, however, the number rose to 14 706 (increased by 1.4%). It is likely that the increase in the enrolment of non-local students in 2023/24 was due to the positive response to the various talent admission schemes.

20. The number of local students increased from the trough of 2 294 in 2009/10 to 7 904 in 2023/24. It is likely that, during the COVID-19 epidemic, some school places vacated by non-local students who had left Hong Kong due to anti-epidemic restrictions were taken up by local students.

Secondary level

21. Comparing the number of school places provided and the actual enrolment in international schools, there has been a surplus provision of places since 2006/07. In 2023/24, the total enrolment in international schools was 19 464, while the total provision of international school places was 21 714. This represents an increase of 5.3% in enrolment as compared with that in 2022/23 (i.e. 18 483). The surplus of places was 2 250 or 10.4% of the total provision of places.

22. Enrolment of non-local students in international schools accounted for around 65.2% of total enrolment in 2023/24. During 2006/07 to 2019/20, the number of non-local students in international schools at secondary level showed fluctuation with no clear trend. However, the number of non-local students showed a significant drop in 2020/21. The enrolment of non-local students declined by 10.2% from 13 660 in 2019/20 to 12 261 in 2022/23. In 2023/24, however, the number rose to 12 684 (increased by 3.4%). It is likely that the increase in the enrolment of non-local students in 2023/24 was due to the positive response to the various talent admission schemes.

23. The number of local students increased from the trough of 1 358 in 2009/10 to 6 780 in 2023/24. It is likely that, during the COVID-19 epidemic, some school places vacated by non-local students who had left Hong Kong due to anti-epidemic restrictions were taken up by local students.

Projection of demand for international school places

Local students

24. The number of local students attending international schools at the primary level was projected to decrease from 7 957 in 2024/25 to 6 939 in 2028/29. This decreasing trend during the period from 2024/25 to 2028/29 is largely due to the projected decrease in the number of children in the school-age population.

25. On the other hand, the number of local students attending international schools at the secondary level was projected to increase from 7 520 in 2024/25 to 9 333 in 2028/29. The increase is projected with reference to the past enrolment trend from 2010/11 to 2023/24. That said, this trend would be curbed as the mix of local students would be capped by the current policy on the general requirement that the international schools have to enroll no less than 70% of non-local students.

Non-local students

26. The number of non-local students attending international schools at the primary level was projected to remain stable from 14 652 in 2024/25 to 14 629 in 2028/29.

27. On the other hand, the number of non-local students attending international schools at the secondary level was projected to decrease from 12 460 in 2024/25 to 11 379 in 2028/29. This decreasing trend reflects the consequential impact of the decreasing trend in the number of non-local students at the primary level.

Adequacy of international school places

Primary level

28. The number of surplus international school places at the primary level is projected to increase from 2 202 in 2023/24 to 3 350 in 2028/29. In relative terms, the surplus provision expressed as a percentage of total demand is projected to increase from 9.7% in 2023/24 to 15.5% in 2028/29. It should be noted that the increase in the number and percentage of surplus provision is largely due to the projected decrease in demand in the coming years.

Secondary level

29. The number of surplus international school places at the secondary level is projected to decrease from 2 250 in 2023/24 to 1 077 in 2028/29. In relative terms, the surplus provision expressed as a percentage of total demand is projected to decrease from 11.6% in 2023/24 to 5.2% in 2028/29. It should be noted that the decrease in the number and percentage of surplus provision is largely due to the projected increase in demand in the coming years.

Observations and recommendations

Continuous monitoring of the provision of international school places

30. It is noted that there will be an overall surplus of places in international schools at both the primary and secondary levels. The increase in the surplus provision of international school places is mainly due to the decrease in demand. Nevertheless, there is a high degree of uncertainty concerning the future changes in the demand for international school places from non-local students.

31. It is noted that, as set out in the 2022 and 2023 Policy Address, the Government launched a series of initiatives and measures to trawl talents in a bolder, more targeted and proactive manner around the globe, with a view to admitting at least

35 000 talents annually with an intended duration of stay of at least 12 months through the talent admission schemes from 2023 to 2025. By the first 11 months of 2023, the Government announced that around 81 000 talents approved under various talent admission schemes had arrived in Hong Kong, which had far exceeded the annual target, reflecting that the response to the schemes has been very positive. The actual effect regarding these admission schemes and related measures are yet to be evaluated, though this report has taken into account the latest population data released by the Census and Statistics Department in mid-August 2023 and the latest Gross Domestic Product (GDP) forecasts estimated by the Office of Government Economist in November 2023, which have already factored in the effect of the various talent schemes.

Recommendation 1

32. *In view of the Government's strong initiatives and measures on attracting talents to come to and stay in Hong Kong, there are quite a lot of uncertainties related to the future demand for international school places, in particular those from non-local students. It is recommended that the Government should regularly monitor and review the supply of and demand for international school places*.

Managing the surplus provision of international school places

33. Given the surplus provision of international school places, international schools that are less popular would face challenges in filling their vacant places. These schools may have difficulties maintaining respective enrolments regarding the student-mix requirement of local and non-local students.

34. International schools are privately operated enterprises. There is little justification for government assistance to ensure that they could weather the ups and downs of the business environment. Nevertheless, it is apparent that international schools perform an important role in helping businesses in attracting and retaining foreign talents.

Recommendation 2

35. *In view of the uncertainty on the demand from non-local students, and drawing reference from the experience of flexible approach during the past few years in managing the impact of COVID-19 epidemic, consideration could be given to temporarily allow some flexibility for international schools in respect of their*

student-mix requirements when such a need arises, after due consideration of various factors, so that once there is economic rebound, the schools could be receptive to short-term fluctuation in the demand from non-local students.

Facilitating the school sector

36. It is desirable that measures be put in place to facilitate international schools in coping with changing demand. In the event of a revival, if not an upsurge, of demand for international school places from non-local students, it is desirable that international schools could promptly expand their provision of places, at either primary or secondary level or both, to meet the increase in demand from non-local students.

<u>Recommendation 3</u>

37. *To help international schools cope with the demand from non-local students, consideration should be given to allow international schools to adjust (both upwards or downwards) their committed school places under the Service Agreements signed with the Government, and on the other hand facilitate their expansion when there is rebound in the demand for international schools from non-local students.*

Enhancing accessibility of information

38. The international school sector is privately operated and subject to the market mechanism of changing demand and supply. That said, the market mechanism is still subject to a regulatory framework governing, among others, the quality of education and the student mix for local and non-local students.

39. During discussions with representatives of consulates and chambers of commerce, it was suggested that efforts should be devoted to making international schools more accessible to potential parents and students, and to minimising efforts made by potential parents in securing international school places for their children.

40. During discussions with parents, many of them said that they did not have comprehensive information about international schools in Hong Kong when they were searching for school places for their children, including the types of

curricula offered, the number of places available to local or non-local students, the fees charged and other related expenses and the admission arrangement.

Recommendation 4

41. *To enhance the accessibility of information of the international school sector, consideration should be given to augment the information flow between international schools and potential parents/students.*

Provision of special education services

42. It should be noted that international schools in Hong Kong have many years of experience offering supporting services to students with special educational needs. That said, since international schools in Hong Kong are privately run, provision of services to students with special educational needs would always be subject to the resources that the schools could deploy, and there must be cross-subsidy from those who do not require such services. Those schools with better experience and expertise might consider conducting sharing sessions with other international schools to share good practices and expertise in this regard.

Recommendation 5

43. *It is recommended that the Government should continue to encourage the provision of special education services by international schools to cater for students with mild to moderate SEN in an integrated setting.*